

# Schedule for joint filers with different states of residence

2001

Attach to Form ND-1 or ND-2

► **Important**—This schedule is to be used only by married persons who file a joint federal income tax return but are required to file separate North Dakota returns because they have different states of residence. See **Who must complete** in the instructions for more information.

## Part 1 Calculation of spouses' separate federal taxable incomes

- Complete Column A first by entering the amounts from your joint federal return.
- Then complete Columns B and C to show the amounts belonging to each spouse.
- See separate instructions sheet.

### Column A

Total from federal return

### Column B

Full-year resident spouse

### Column C

Full-year nonresident or part-year resident spouse

A. Enter the name of each spouse in the appropriate column—see instructions ..... **A** \_\_\_\_\_

B. Social security number of spouse ..... **B** \_\_\_\_\_

#### Income

- |   |          |       |       |
|---|----------|-------|-------|
| 1. Wages, salaries, and tips (from line 7 of Form 1040 or 1040A, or line 1 of Form 1040EZ) .....  | <b>1</b> | _____ | _____ |
| 2. Interest and dividend income (add lines 8a and 9 of Form 1040 or 1040A, or amount from line 2 of Form 1040EZ) .....                          | <b>2</b> | _____ | _____ |
| 3. Business income or loss (from line 12 of Form 1040) .....  | <b>3</b> | _____ | _____ |
| 4. Ordinary and capital gains and losses (add lines 13 and 14 of Form 1040, or amount from line 10 of Form 1040A) .....                         | <b>4</b> | _____ | _____ |
| 5. IRAs, pensions, and annuities (add lines 15b and 16b of Form 1040, or lines 11b and 12b of Form 1040A) .....                                 | <b>5</b> | _____ | _____ |
| 6. Income from rents, royalties, partnerships, S corporations, estates, and trusts (from line 17 of Form 1040) .....                            | <b>6</b> | _____ | _____ |
| 7. Farm income or loss (from line 18 of Form 1040) .....  | <b>7</b> | _____ | _____ |
| 8. Other income (add lines 10, 11, 19, 20b, and 21 of Form 1040, or lines 13 and 14b of Form 1040A, or amount from line 3 of Form 1040EZ) ..... | <b>8</b> | _____ | _____ |
| 9. <b>Total income.</b> Add lines 1 through 8 .....   | <b>9</b> | _____ | _____ |

#### Adjustments to income

- |  |           |               |               |
|--|-----------|---------------|---------------|
| 10. Medical savings account (from line 25 of Form 1040) .....  | <b>10</b> | _____         | _____         |
| 11. Moving expenses (from line 26 of Form 1040) .....  | <b>11</b> | _____         | _____         |
| 12. Self-employed deductions (add lines 27, 28, and 29 of Form 1040) .....   | <b>12</b> | _____         | _____         |
| 13. IRA deduction (from line 23 of Form 1040 or line 16 of Form 1040A) .....   | <b>13</b> | _____         | _____         |
| 14. Other deductions (add lines 24, 30, and 31a of Form 1040, or amount from line 17 of Form 1040A) .....  | <b>14</b> | _____         | _____         |
| 15. <b>Total adjustments.</b> Add lines 10 through 14 .....  | <b>15</b> | _____         | _____         |
| 16. <b>Federal adjusted gross income.</b> Subtract line 15 from line 9 .....   | <b>16</b> | _____         | _____         |
| 17. Divide each spouse's separate federal adjusted gross income by the total federal adjusted gross income on line 16. Round to the nearest two decimal places ..... | <b>17</b> | _____ . _____ | _____ . _____ |
| 18. Standard deduction or itemized deductions, whichever applies .....   | <b>18</b> | _____         | _____         |
| 19. Exemptions .....   | <b>19</b> | _____         | _____         |
| 20. <b>Federal taxable income.</b> Subtract lines 18 and 19 from line 16 .....   | <b>20</b> | _____         | _____         |

► If one or both spouses are using Form ND-1, complete Part 2 on page 2.

► If one or both spouses are using Form ND-2, complete line 21 below.

#### Line 21—Form ND-2 users only (see instructions)

- |   |            |       |                |
|---|------------|-------|----------------|
| 21. a. <b>Federal income tax</b> for Schedule 2 (Form ND-2) only .... | <b>21a</b> | _____ | Not applicable |
| b. <b>Federal income tax</b> for Schedule 3 (Form ND-2) only ....     | <b>21b</b> | _____ | _____          |

► After completing Schedule SF, see **How to complete the North Dakota return** in the instructions.

## Part 2 Calculation of tax for Form ND-1 filers only

- Complete this part only if Form ND-1 is used by one or both spouses.
- If completing this part, complete lines 1 through 13 of BOTH columns even if only one spouse is going to use Form ND-1.
- See separate instructions sheet.

	Column B Full-year resident spouse	Column C Full-year nonresident or part-year resident spouse
<b>1. Federal taxable income</b> from Part 1, line 20, Columns B and C .....	<b>1</b>	
<b>Additions</b>		
<b>2.</b> Lump sum distribution from Federal Form 4972 .....	<b>2</b>	
<b>3.</b> Loss from pass-through entity subject to North Dakota's financial institution tax .....	<b>3</b>	
<b>4.</b> Total additions. Add lines 2 and 3 .....	<b>4</b>	
<b>5.</b> Add lines 1 and 4 .....	<b>5</b>	
<b>Subtractions</b>		
<b>6.</b> Interest from U.S. obligations .....	<b>6</b>	
<b>7.</b> Net long-term capital gain exclusion .....	<b>7</b>	
<b>8.</b> Exempt income of a Native American .....	<b>8</b>	
<b>9.</b> Benefits received from the U.S. Railroad Retirement Board .....	<b>9</b>	
<b>10.</b> Income from pass-through entity subject to North Dakota's financial institution tax .....	<b>10</b>	
<b>11.</b> Renaissance zone income exemption .....	<b>11</b>	
<b>12.</b> Total subtractions. Add lines 6 through 11 .....	<b>12</b>	
<b>13. North Dakota taxable income.</b> Subtract line 12 from line 5 .....	<b>13</b>	
<b>Tax calculation</b>		
<b>14.</b> Add the amounts on line 13, Columns B and C ..... (NS) <b>14</b>		
<b>15.</b> Go to the tax table on page 18 of the 2001 Form ND-1 instruction booklet. In the <b>Married filing jointly</b> column, find the tax on the amount on line 14 ..... <b>15</b>		
➤ <b>Complete lines 16 and 17 for each spouse using Form ND-1.</b>		
<b>16.</b> Divide the spouse's separate North Dakota taxable income on line 13 by the amount on line 14. Round to the nearest two decimal places .....	<b>16</b>	
<b>17.</b> Form ND-1 tax. Multiply line 15 by the decimal number on line 16 .....	<b>17</b>	

➤ After completing Schedule SF, see **How to complete the North Dakota return** in the instructions.

**Who must complete**

You must complete this schedule *only if* you meet all of the following conditions:

1. You are married.
2. You and your spouse are filing a joint federal income tax return for the 2001 tax year.
3. You and your spouse had different states of residence (one of which is North Dakota) for the 2001 tax year. You and your spouse had different states of residence if you fall into one of the following categories:

- **Full-year resident / Full-year nonresident**  
One spouse is a full-year resident of North Dakota and the other spouse is a full-year nonresident.
- **Full-year resident / Part-year resident**  
One spouse is a full-year resident of North Dakota and the other spouse is a part-year resident of North Dakota.
- **Part-year resident / Full-year nonresident**  
One spouse is a part-year resident of North Dakota and the other spouse is a full-year nonresident.

If all of the above conditions apply, you and your spouse must file separate North Dakota returns using the “Married filing separately” filing status. This is the only exception to the requirement that a joint North Dakota return must be filed by married persons who file a joint federal return.

**Note:** A full-year nonresident spouse who does not have any gross income from North Dakota sources does not have to file a North Dakota return. If this applies, the other spouse must attach a statement to his or her return explaining this situation.

**Purpose of schedule**

The purpose of this schedule is determine the amounts that each spouse must use to complete the separate North Dakota returns.

**Federal return line references**—Disregard the federal income tax return line references shown on the North Dakota return and in its instructions. Instead, the separate federal tax information as determined on this schedule must be used to fill in the federal tax amounts asked for on the separate North Dakota returns. After completing this schedule, see **How to complete the North Dakota return** for where to enter the information from this schedule on the separate North Dakota returns.

**How to complete Schedule SF****Step 1**

Complete Part 1, lines A through 20, to determine the separate federal taxable income for each spouse.

**Step 2**

The next step depends on which North Dakota return you are going to use. If both you and your spouse are going to use Form ND-1, complete the remainder of Schedule SF as follows:

- ▶ Skip lines 21a and 21b of Part 1.
- ▶ Complete Part 2, lines 1 through 17.

If both you and your spouse are going to use Form ND-2 (Optional Method), complete the appropriate part(s) of line 21.

If you are going to use Form ND-1 and your spouse is going to use Form ND-2 (or vice versa), complete both Part 1 and Part 2.

**Step 3**

See **How to complete the North Dakota return** for instructions on how to transfer the information from Schedule SF to Form ND-1 or Form ND-2, whichever applies. After transferring the information, complete the remainder of the North Dakota return using the regular instructions.

**Specific line instructions for Part 1****Lines A and B**

Enter your names and social security numbers in the appropriate columns. Column B is for the full-year resident spouse, and Column C is for the full-year nonresident or part-year resident spouse.

**Exception:** If you fall into the category in which one spouse is a part-year resident and the other spouse is a full-year nonresident, the part-year resident spouse must use Column B and write “Part-year resident” in the gray box at the top of the column. The full-year nonresident spouse must use Column C.

**Lines 1 through 16**

Enter the amounts from the joint federal return on the appropriate lines in Column A. Enter the portion of the amount in Column A belonging to each spouse in Columns B and C. Amounts from jointly owned property must be divided equally between the spouses.

**Special instructions for lines 4 and 8**—The amount of capital gains and losses (on line 4) and the amount of social security benefits (on line 8) reportable by each spouse must be determined using the federal rules that would apply to the filing of separate federal returns. Enter the separate amounts in Columns B and C first, and then enter the total of the separate amounts in Column A. This may cause the amounts in Column A to differ from the actual amounts on the joint federal return.

**Line 18**

**Standard deduction**—If you used the standard deduction on your federal return, enter in Column A the amount from your federal income tax return as follows:

- If you used Form 1040, enter the amount from line 36.
- If you used Form 1040A, enter the amount from line 22.
- If you used Form 1040EZ, and the “No” box on line 5 was checked, enter \$7,600. Or, if the “Yes” box on line 5 was checked, enter the amount from line E of the Worksheet For Dependents (on the back of Form 1040EZ).
- If you used TeleFile to file your federal return, enter the amount from line J (the “Standard Deduction” box) of your TeleFile Tax Record.

Enter in Columns B and C the portion of the amount in Column A that would have been allowed to each spouse had separate federal returns been filed. Attach a supporting statement.

**Itemized deductions**—If you filed Federal Form 1040 and claimed itemized deductions instead of the standard deduction, enter the amount from Schedule A (Form 1040), line 28, in Column A. Multiply this amount by the spouse’s ratio on line 17 and enter the result in the appropriate column.

**Line 19**

Enter in Column A the amount from your federal income tax return as follows:

- If you used Federal Form 1040, enter the amount from line 38.
- If you used Federal Form 1040A, enter the amount from line 24.
- If you used Federal Form 1040EZ, and the “No” box on line 5 was checked, enter \$5,800. Or, if the “Yes” box on line 5 was checked, enter the amount from line F of the Worksheet For Dependents (on the back of Form 1040EZ).
- If you used Federal TeleFile, enter the amount from line J (the “Exemption Amount” box).

Determine the amount to enter in Columns B and C as follows:

1. Each spouse must claim his or her own personal exemption of \$2,900 (if not claimed as a dependent by another taxpayer).
2. Exemptions for dependents, if any, must be allocated between the spouses as follows: Multiply the number of dependents by \$2,900. Multiply this result by the spouse’s ratio on line 17 and round to the nearest whole exemption amount of \$2,900.

*Example: John and Mary have three dependent children. They would multiply \$2,900 by 3 to get \$8,700. If John’s ratio (on line 17) is .75 (75%), he would multiply \$8,700 by .75 to get \$6,525. Rounding this to the nearest whole exemption he would claim \$5,800, and Mary would claim \$2,900.*

**Line 21a****Full-year resident using Form ND-2**

Enter in Column A the amount from your federal income tax return as follows:

- If you used Form 1040EZ, enter the amount from line 11 less line 9a.
- If you used Form 1040A, enter the amount from line 34 less lines 39a and 40. Do not include any alternative minimum tax.
- If you used TeleFile to file your federal return, enter the amount from line K (the "Tax" box) less line L (add the amounts in both boxes) of your TeleFile Tax Record.
- If you used Form 1040, complete the worksheet (for line 26, Schedule 2) on page 10 of the Form ND-2 instruction booklet.

Reduce the amount on this line by the 2001 federal income tax rebate. Multiply the amount in Column A by the ratio on line 17 of Column B, and enter the result on line 21a of Column B.

**Line 21b****Full-year nonresident or part-year resident using Form ND-2**

Enter in Column A the amount from your federal income tax return as follows:

- If you used Form 1040EZ, enter the amount from line 11 less line 9a.
- If you used Form 1040A, enter the amount from line 34 less lines 39a and 40. Do not include any alternative minimum tax.
- If you used TeleFile to file your federal return, enter the amount from line K (the "Tax" box) less line L (add the amounts in both boxes) of your TeleFile Tax Record.
- If you used Form 1040, complete the worksheet (for Schedule 3, page 1, line 11) on page 12 of the Form ND-2 instruction booklet.

Reduce the amount on this line by the 2001 federal income tax rebate. Multiply the amount in Column A by the ratio on line 17 of Column C, and enter the result on line 21b of Column C.

**Exception:** If you fall into the category in which one spouse is a part-year resident and the other spouse is a full-year nonresident, the part-year resident spouse must use Column B and the full-year nonresident spouse must use Column C. In this case, multiply the amount in Column A by the spouse's ratio on line 17, and enter the result on line 21b in the appropriate column.

**Specific line instructions for Part 2**

Complete this part if Form ND-1 is used by one or both spouses. If completing this part, complete lines 1 through 13 of **both** columns even if only one spouse is going to use Form ND-1. Complete lines 16 and 17 for each spouse using Form ND-1.

**Lines 2 and 3**

See the instructions to Form ND-1, lines 2 and 3, in the Form ND-1 instruction booklet for these adjustments. If applicable, enter the adjustment amount in the appropriate column.

**Lines 6 through 11**

See the instructions to Form ND-1, lines 6 through 11, in the Form ND-1 instruction booklet for these adjustments. If applicable, enter the adjustment amount in the appropriate column.

**How to complete the North Dakota return**

This table shows how to transfer the information from Schedule SF to the North Dakota return—either Form ND-1 or Form ND-2. After transferring the information, complete the remainder of the return using the regular instructions.

**Full-year resident spouse**

- If using Form ND-1, transfer the amounts from Schedule SF to Form ND-1 as follows—

**Enter the amount from Schedule SF:****On Form ND-1:**

Part 1, line 16, Column B ..... Line E  
Part 2, lines 1 through 13, Column B ..... Lines 1 through 13

- If using Form ND-2 (Optional Method), transfer the amounts from Schedule SF to Form ND-2, Schedule 2, as follows—

**Enter the amount from Schedule SF:****On Form ND-2, Schedule 2:**

Part 1, line 16, Column B ..... Line A  
Part 1, line 20, Column B ..... Line 1  
Part 1, line 21a, Column B ..... Line 26

**Note:** The ratio on Schedule SF, line 17, Column B, must be used to apportion the amounts for purposes of Form ND-2, Schedule 2, lines 3 and 21.

**Full-year nonresident spouse or part-year resident spouse\***

- If using Form ND-1, transfer the amounts from Schedule SF to Form ND-1 and Schedule ND-1NR as follows—

**Enter the amount from Schedule SF:****On Form ND-1:**

Part 1, line 16, Column C ..... Line E  
Part 2, lines 1 through 13, Column C ..... Lines 1 through 13

**Enter the amount from Schedule SF:****On Form ND-1, Schedule ND-1NR:**

Part 1, lines 1 through 8, Column C ..... Lines 1 through 8, Column A  
Part 1, lines 10 through 14, Column C ..... Lines 10 through 14, Column A  
Part 1, line 16, Column C ..... Line 17  
Part 2, line 17, Column C ..... Line 21

- If using Form ND-2 (Optional Method), transfer the amounts from Schedule SF to Form ND-2, Schedule 3 as follows—

**Enter the amount from Schedule SF:****On Form ND-2, Schedule 3:**

Part 1, line 21b, Column C ..... Part 1, line 11  
Part 1, line 18, Column C ..... Part 1, line 17 or line 22, whichever applies  
Part 1, line 19, Column C ..... Part 1, line 24  
Part 1, lines 1 through 15, Column C ..... Part 2, lines 1 through 15, Column A

**Note:** The ratio on Schedule SF, line 17, Column C, must be used to apportion the amounts for purposes of Form ND-2, Schedule 3, Part 1, lines 18 and 20.

\* If you fall into the category in which one spouse is a part-year resident and the other spouse is a full-year nonresident, the part-year resident must use Column B of Schedule SF, and the full-year nonresident must use Column C of Schedule SF. When transferring amounts from Schedule SF to either Form ND-1 or Form ND-2, the reference to "Column C" in the Schedule SF line references applies to the full-year nonresident spouse. For the part-year resident, substitute "Column B" for "Column C" in the Schedule SF line references in this table.